Patents Office
Government Buildings
Hebron Road
Kilkenny

I HEREBY CERTIFY that annexed hereto is a true copy of documents filed in connection with the following patent application:

Application No.	S2002/0679
Date of Filing	16 August 2002
Applicant	INTERNET PAYMENTS PATENTS LIMITED, an Irish company of "Elsinore", Meath Road, Bray, County Wicklow, Ireland.

PRIORITY DOCUMENT
SUBMITTED OR TRANSMITTED IN COMPLIANCE WITH RULE 17.1(a) OR (b)

Dated this 21st day of August 2003.

An officer authorised by the
Controller of Patents, Designs and Trademarks.

Application No. S 020019

FORM NO. 1

REQUEST FOR THE GRANT OF A PATENT

PATENTS ACT 1992

The Applicant(s) named herein hereby request(s)
[ ] the grant of a patent under Part II of the Act
[X] the grant of a short-term patent under Part III of the Act
on the basis of the information furnished hereunder.

1. Applicant(s)

INTERNET PAYMENTS PATENTS LIMITED
"Elsinore"
Meath Road
Bray
County Wicklow
Ireland
an Irish Company

2. Title of Invention
A funds transfer method and system

3. Declaration of Priority on basis of previously filed application(s) for same invention (Sections 25 & 26)

Previous Filing Date	Country in or for which filed	Filing No.

4. Identification of Inventor(s)

Name(s) and addresse(s) of person(s) believed by the Applicant(s) to be the inventor(s)

John Anthony Foran
an Irish Citizen of "Elsinore" Meath Road, Bray, County Wicklow, Ireland
Joseph Patrick Corcoran
an Irish Citizen of 9 Carysfort Grove, Blackrock, County Dublin, Ireland
Christopher Michael Murphy
an Irish Citizen of Kilmolin, Enniskerry, County Wicklow, Ireland

5. Statement of r[redacted]t to be granted a patent ([redacted]tion 17(2) (b))

The Applicant derives the right to apply by virtue of a Deed of Assignment dated August 13, 2002

6. Items accompanying this Request

(i)	[X]	prescribed filing fee (Euro 60.00)
(ii)	[ ]	specification containing a description and claims
	[X]	specification containing a description only
	[X]	Drawings referred to in description or claims
(iii)	[ ]	An abstract
(iv)	[ ]	Copy of previous application(s) whose priority is claimed
(v)	[ ]	Translation of previous application whose priority is claimed
(vi)	[X]	Authorisation of Agent (this may be given at 8 below if this Request is signed by the Applicant(s))

7. Divisional Application(s)
The following information is applicable to the present application which is made under Section 24 -

Earlier Application No.
Filing Date:

8. Agent

The following is authorised to act as agent in all proceedings connected with the obtaining of a patent to which this request relates and in relation to any patent granted -

Name & Address

Cruickshank & Co. at their address recorded for the time being in the Register of Patent Agents is hereby appointed Agents and address for service, presently 1 Holles Street, Dublin 2.

9. Address for service (if different from that at 8)

Signed Cruickshank & Co.

By:- [redacted] Executive.

Agents for the Applicant

Date August 16, 2002.

"A funds transfer method and system"

Introduction

The present invention relates to a funds transfer method and system. The invention particularly relates to a fund transfer method in a system comprising a plurality of entity computers and a system server computer interconnected by a communications network.

Secure transfer of funds is required in many situations but particularly in situations where the parties are remote and do not meet face to face to complete a transaction. The transaction can be a very simple transaction, for example, a parent transferring funds to a child in some other jurisdiction or transferring funds to somebody else in another jurisdiction or indeed at a remote location within the same jurisdiction. The person transferring the funds and the person receiving the funds always have considerable problems as to the security of the transfer. A further problem arises where there is actual trading taking place between a buyer and seller. Very often, the buyer has to transfer funds before the goods are received, the seller being obviously reluctant to send the goods without receiving payment. At the same time, the buyer is often unaware as to the merchantable quality of the goods being purchased, particularly where they have to be delivered, or indeed, as to the service, for example, where the service can be delivered on line. There is thus, in effect, a reluctance for the buyer to trust the seller to provide the goods or services to the quality and standard required and the seller is equally reluctant to provide those goods or services until he or she has been paid. This is a major problem where the buyers and sellers are unknown to each other or where neither of them have an established trading or credit record. Internet auction sites are a particular example of this.

There are many existing numbers of solutions to these problems such as those sold under the Trade Marks PAYPAL, C2IT and BILL PAY. The problem is that these systems suffer from a high level of disputes related to either a commercial dispute between the parties or fraudulent activity by either of the parties. These disputes result in high costs to the system to resolve them. The present invention is directed towards overcoming this.

Statements of Invention

The present invention relates to a funds transfer method in a system comprising a plurality of entity computers and a system server computer interconnected by a communications network. The system server computer has an escrow account associated therewith into and out of which funds may be transferred. The method comprises establishing, prior to or during a funds transfer, an entity account for each entity computer with the system server computer. Then, on a funds transfer being desired between two entity computers, designating, as appropriate, one as a remitter computer and the other as a receiver computer and then various steps are performed. The remitter computer downloads the receiver ID to the system server computer, together with details of the transaction. The remitter computer then arranges with the system computer for funds to be available in an escrow account for transfer to the receiver entity account. These funds are now no longer available to the remitter computer. Then, on a specified event occurring, the remitter computer instructs that the funds being held available for the receiver entity account be released to the receiver entity account. Then, funds are released to the receiver entity account.

In many situations, the system computer confirms the availability of funds in the escrow account for the remitter entity account to the receiver computer. This may be done by either the remitter computer or the system computer. Very often, on the system computer confirming the availability of funds in the escrow account, the system computer sends a unique remitter transaction identifier to the remitter computer, usually two of them, and the remitter computer sends one immediately to the receiver computer. Then, the receiver computer sends the identifier to the system server computer and the system server computer now has a match between the identifier and the receiver system computer account. Then, on the specified event taking place, the second remitter transaction identifier is sent either by the remitter computer to the receiver computer which in turn sends this second remitter transaction identifier to the system computer or directly by the remitter computer to the system computer to allow the release of the funds. The manner in which the actual identifiers are sent is a matter of choice. Needless to say, when there are goods or services involved, the second identifier will not be sent by the remitter computer, here a buyer computer, until

the remitter computer has received and accepted the goods or services.

Detailed Description of the Invention

The invention will be more clearly understood from the following description of some embodiments and examples thereof, given by way of example only, with reference to the accompanying drawings, in which:-

Fig. 1 is layout of a system in which the invention could be carried out; and

Figs. 2 and 3 are a flowchart of one method of carrying out the invention.

Referring to the drawings, there is provided a communications network 1 indicating a plurality of computers, namely, entity computers 2 and a system server computer 3. The system server computer 3 has associated therewith a plurality of entity accounts 4 and an escrow account 5.

In operation and dealing firstly with a simple trading situation between a buyer and a seller where the buyer wishes to buy certain goods and the seller agrees to provide them, in this particular system, there is agreed an arbitration system. Referring to Figs. 2 and 3 there is illustrated a very simple layout of one trading operation. In step 1, the buyer agrees a price with the seller computer and in step 2, the seller provides a system account number to the buyer computer. Needless to say, this could be any other suitable reference other than an account number such as an email address, trading code, and so on. The buyer, in step 3, lodges money or causes money to be transferred from the buyers entity account, if the buyer has one, or in any case, to an escrow account. In step 4, the funds are received in the escrow account and held in the escrow account. These funds are not available to either the buyer or the seller computers at this stage.

In step 5, the buyer receives two codes from the system server computer, namely, codes A and B. In step 6, the buyer sends code A to the seller computer. In step 7, the seller computer provides code A to the system server computer which locks the funds for the benefit of the seller, the seller computer then sends the goods to the

buyer computer. In step 8, having received code A which informs the seller computer that the funds are being held in escrow, the seller computer sends the goods to the buyer. It will be appreciated that these could be simply services over the internet or the like such as the downloading of music. In step 9, the buyer receives the goods and the buyer then, in step 10, checks the goods. Presuming the goods are acceptable, then in step 11, the buyer sends code B to the seller. Then, in step 13, the seller sends code B to the system server computer and in step 14, the funds are transferred to the seller account and in step 15, the buyer computer is informed that the funds have been released from escrow to the seller account and in step 16 the transaction is complete.

If, however, the buyer has not accepted the goods, then in step 12, the buyer enters a default date and then enters into negotiations and other discussions with the seller and in step 17, the dispute has either been resolved or not. If it has been resolved, step 11 takes place and the remainder of the operation is as described above. If, however, this dispute has not been resolved, then step 12 is repeated by the buyer entering another default date. This may occur a fixed number of times, each time repeating steps 12 and 17 until either the dispute has been resolved or not. If it has not been resolved, then either the system initiates arbitration in step 18, the arbitration is carried out in step 19, or the arbitration is concluded in step 20 which either means that the matter has been resolved satisfactorily between the buyer and seller and the remainder of the trade takes place. Thus steps 11, 13, 14, 15 and 16 are carried out. If, however, the arbitration, when concluded, does not mean that the trade continues, then in step 21, the transaction is cancelled, in step 22 the funds are released to the buyer and then step 16 is carried out to end the transaction. As mentioned above, instead of using arbitration after a certain number of defaults, step 21 may take place without arbitration and the transaction cancelled.

In its simplest, a buy/sell situation uses two codes and essentially a deal is agreed as in any situation, the seller provides the buyer with an account reference number, the buyer makes an escrow payment to the sellers account for the agreed value and the buyers account is in some way debited. If the particular buyer computer has an entity account already established, then that entity account is debited. Alternatively, the

buyer computer arranges to transfer the funds to the escrow account. In the normal operation of the account, the system will provide the buyer with two codes (codes A and B) and generally, the buyer will give one of these codes (say, code A) to the seller immediately via email, telephone or so on. Then, the seller calls up the transaction within his own account established with the system and enters this first code. Generally speaking, the system will transfer to the buyer, via email, that the seller computer has entered this first code. The funds are now in escrow and are not available to either party. The buyers account has indeed been debited but the sellers account has not been credited. Once the seller has delivered the product or service as agreed, then the buyer gives the second code (code B) to the seller and the seller calls up the transaction within his system account or entity account and enters the code which then causes the system computer to release the funds and credit the account of the seller computer. Thus, the transaction ends.

Needless to say, when, for example, the deal is concluded and the payments have been made, the goods are delivered and the buyer does nothing further. The second situation can arise where the buyer changes his or her mind, after making the payment to the escrow account but before the seller has entered code A and delivered it to the system computer. In another situation, either the delivery is not made, made partially or the goods or services are unacceptable: in this case, the buyer computer does not send the second code to the seller computer until the problem has been resolved.

It is envisaged that there are many ways in which the process may be carried out. For example, when the buyer computer initially sends the funds to the escrow account, a default date may be entered whereby the seller is notified that in the event of failure of the buyer to contact the server computer, the funds will be released. Effectively, this is a default date. Then, the system computer will automatically release the funds to the seller when this default date has passed unless the buyer computer has intervened.

It will be appreciated that the buyer computer can intervene in the process in many ways. Firstly, the buyer computer could intervene before the seller computer has entered this code A. The buyer can then enter code A and cancel the transaction. The funds are returned to the buyer's account and the seller is informed of a cancellation. This can only happen when the buyer computer has received both codes

and the seller computer has not yet received code A which will be used as a trigger to supply the goods and services. Therefore, effectively, the whole operation is cancelled prior to initiation.

Before the default date, the buyer can enter code B that in this case, releases the funds immediately to the sellers account and then the seller would normally be informed. Alternatively, before the seller has entered code B and before the default date, the buyer can enter code B and defer the default date, for example, up to seven days. This caters for situations where a delivery has not been completed or some discussion is taking place between buyer and seller and time is needed to resolve it. The seller computer would then be notified of the extended default date from the system server computer. Needless to say, this deferring of the default date can be carried out a number of times and it depends how many times are agreed, for example, in the system. It could, for example, normally be three. At some stage, however, the buyer may enter code B with the resultant immediate release of the funds unless some form of dispute resolution has been initiated. This can either be initiated automatically or alternatively, can be initiated by a positive action on behalf of the buyer computer. Needless to say, once this has happened, either the two parties can resolve it themselves or the transaction can be referred to automatic dispute resolution and arbitration.

The following are some examples as to how the process according to the invention may be initialled.

Example 1:

1. The buyer provides funds, a default date and the seller account identifier to the system server computer
2. The system server computer provides code A and code B to the buyer
3. The buyer provides code A to the seller
4. The seller provides code A to the system server computer, which causes the funds to be locked for the benefit of the seller.

Example 2:

1. The buyer provides funds and a default date to the system server computer
2. The system server computer provides a transaction identifier, code A and code B to the buyer
3. The buyer provides the transaction identifier and code A to the seller
4. The seller provides the transaction identifier, code A and his account identifier to the system server computer, which causes the funds to be locked for the benefit of the seller.

Example 3:

1. The seller provides the details of the transaction including his account identifier to the system server computer
2. The system server computer provides a transaction identifier to the seller
3. The seller provides the transaction identifier to the buyer
4. The buyer provides the transaction identifier, funds and the default date to the system server computer
5. The system server computer provides code A and code B to the buyer
6. The buyer provides the code A to the seller
7. The seller provides the code A to the system server computer, which causes the funds to be locked for the benefit of the seller.

In the event that the transaction is completed to the satisfaction of both parties there are three possible courses of action.

The buyer provides code B to the system server computer with the instruction to release the funds to the seller.

The buyer provides code B to the seller.

The seller provides code B to the system server computer with the instruction to release the funds to the seller.

The buyer does nothing and the funds are released to the seller on the default

date.

In the event that the transaction is not completed to the satisfaction of the buyer.

The buyer provides code B to the system server computer with the instruction to put back the default date. This may be done a number of times in order to provide a period of time to complete the transaction if it is taking longer that expected or to resolve a dispute between the parties.

Should it not be possible to resolve the dispute either within the maximum number of times the date can be put back or by the choice of the buyer, the buyer on providing code B to the System services computer may elect to send the dispute for arbitration.

It will be appreciated that when there are funds only being transferred between the parties without the delivery of goods or services being a condition precedent therefor, it will be relatively simple for one computer to transfer to another entity computer by simply downloading receiver ID and receiving a code from the system server computer. Until the receiver computer had been informed by the system server computer that there were funds available, the funds would be kept in escrow. Once the receiver computer had identified the funds were available and they were available for him or her, then the receiver computer can inform the remitter computer and the remitter computer can then dispatch a code, either itself to the system server or to the receiver computer for onward transmission. In this way, the remitter can be confident that the funds are being delivered to the right person.

The innovative feature of the invention can be summarised as follows:

1. The remitter provides funds to the escrow account
2. The system server gives the two codes to the remitter
3. Until the receiver enters the first code, these funds may be retrieved by the remitter
4. The receiver gets code A and he provides this to the system server
5. The funds are now locked to the benefit of the receiver but he cannot

access these funds until code B has been provided

6. An event occurs that concludes the transaction (goods are received by the remitter)
7. Provided the remitter is happy, he provides code B to the receiver
8. The receiver then enters code B and he then has access to the funds.

The above is the simple situation with no problems.

However, when a problem arises, one way of solving it, described herein, can be summarised as follows:

1. The remitter is no happy with the goods
2. The remitter may enter code B and signal the existence of a problem to the system server and the server or remitter will select a date by which the problem should be resolved
3. The system server informs the receiver (or not, as the remitter may do this) of this action by the remitter (this provides a breathing space for the two parties to sort out the problem)
4. The remitter will be permitted a fixed number of time that the deadline date may be extended
5. Only after the parties have failed to resolve the problem themselves, does this system start the arbitration process.

In the specification the terms "comprise, comprises, comprised and comprising" or any variation thereof and the terms "include, includes, included and including" or any variation thereof are considered to be totally interchangeable and they should all be afforded the widest possible interpretation and vice versa.

The invention is not limited to the embodiment hereinbefore described but may be varied in both construction and detail.

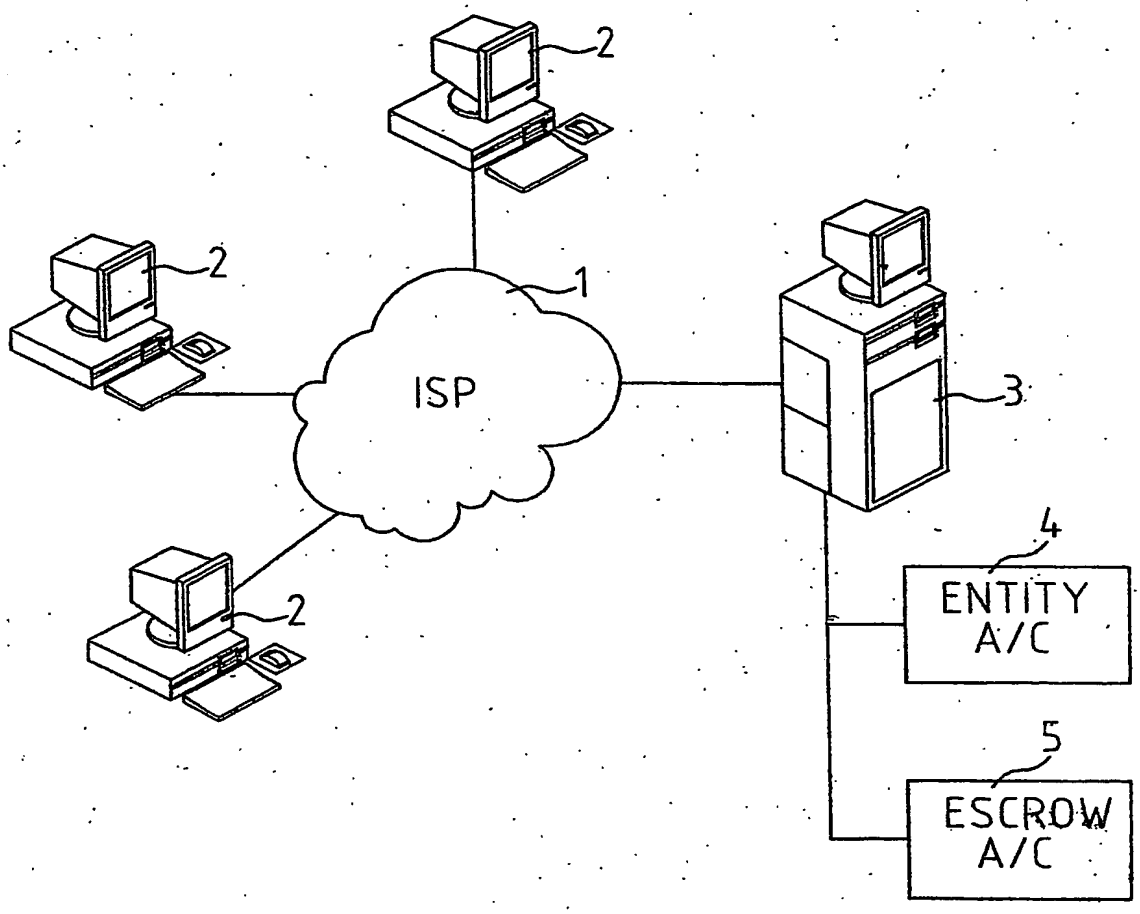

Fig. 1

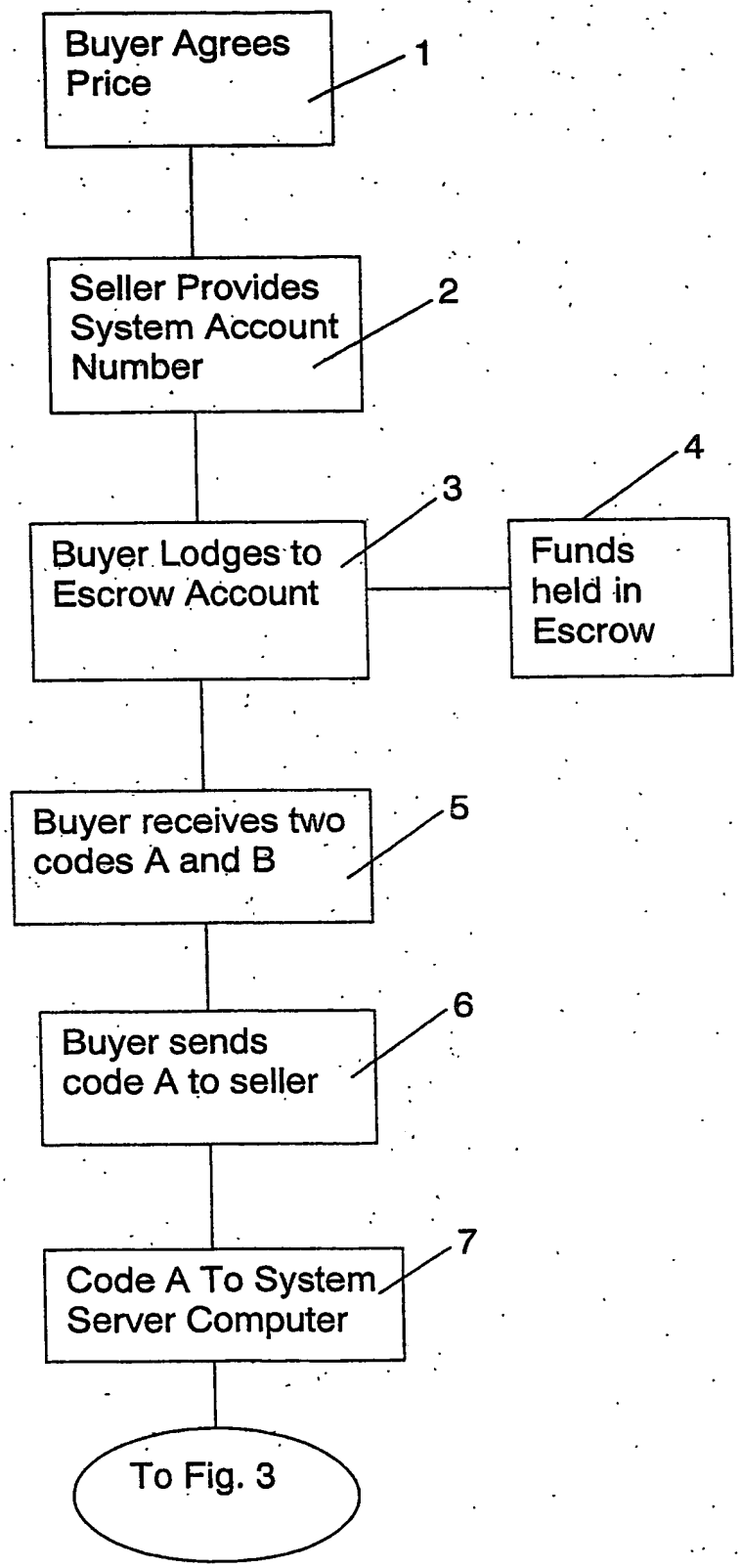

FIG. 2

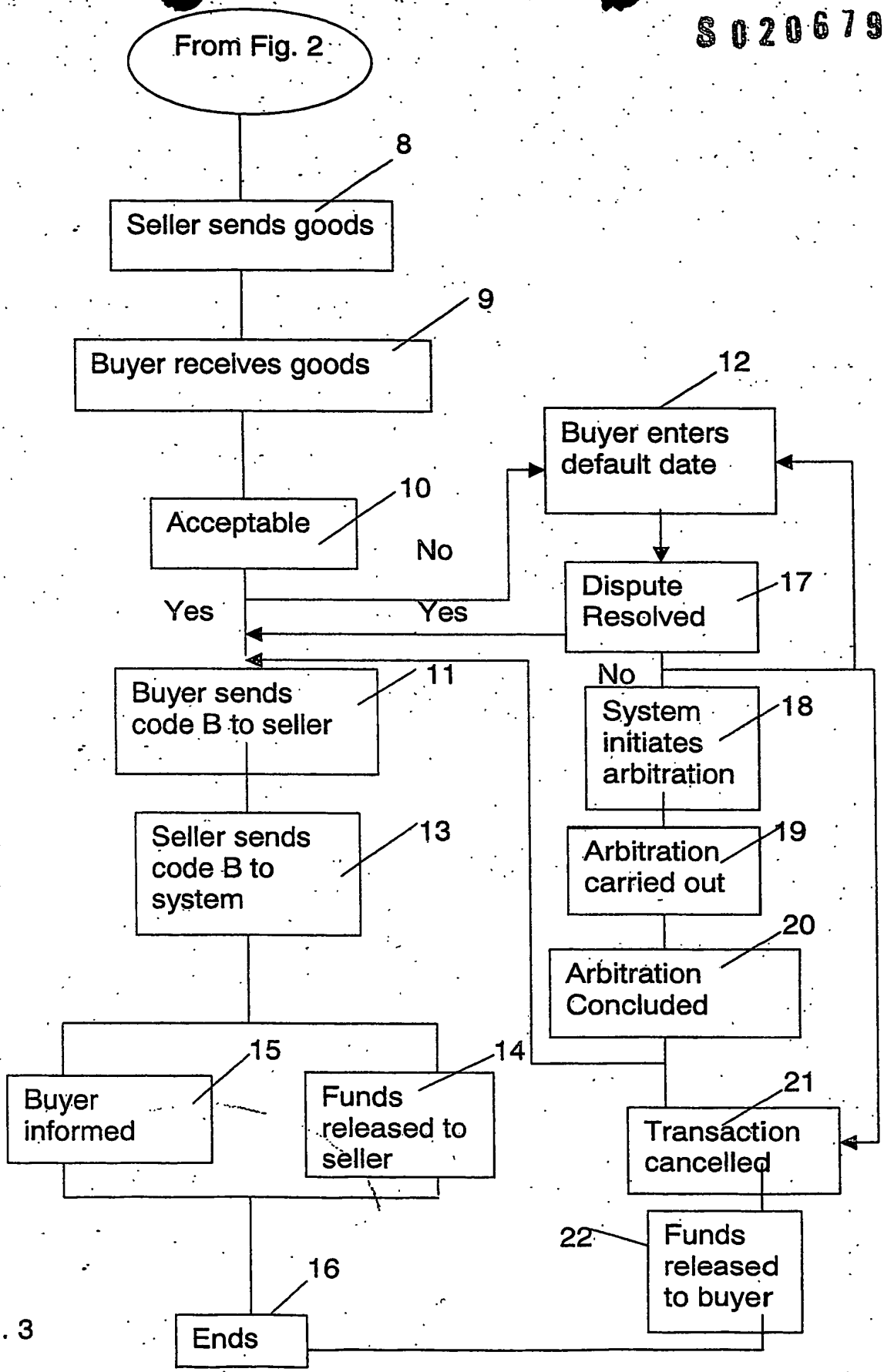

FIG. 3

This Page is Inserted by IFW Indexing and Scanning Operations and is not part of the Official Record

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☐ BLACK BORDERS
- ☐ IMAGE CUT OFF AT TOP, BOTTOM OR SIDES
- ☐ FADED TEXT OR DRAWING
- ☐ BLURRED OR ILLEGIBLE TEXT OR DRAWING
- ☐ SKEWED/SLANTED IMAGES
- ☐ COLOR OR BLACK AND WHITE PHOTOGRAPHS
- ☐ GRAY SCALE DOCUMENTS
- ☑ LINES OR MARKS ON ORIGINAL DOCUMENT
- ☑ REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY
- ☐ OTHER: _____

IMAGES ARE BEST AVAILABLE COPY.
As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.